

Message Text

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PAGE 01 STATE 095427
ORIGIN NEA-10

INFO OCT-01 EUR-12 ISO-00 IO-13 FEA-01 ACDA-07 AGRE-00
AID-05 CEA-01 CEQ-01 CG-00 CIAE-00 COME-00
DLOS-09 DODE-00 DOTE-00 EB-08 EPA-01 ERDA-05
FMC-01 TRSE-00 H-01 INR-07 INT-05 JUSE-00 L-03
NSAE-00 NSC-05 NSF-01 OES-06 OMB-01 PA-01 PM-04
PRS-01 SP-02 SS-15 USIA-06 /133 R

DRAFTED BY NEA/AFN:TSWILKINSON:PG
APPROVED BY NEA/AFN:WSWEISLOGEL
L/OES:DCOLSON (INFO)
L/NEA:DSMALL (INFO)
INR/RGE:RHODGSON (INFO)

-----280416Z 022372 /21

P 280017Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY TUNIS PRIORITY
INFO AMEMBASSY PARIS PRIORITY
AMEMBASSY ROME PRIORITY
AMEMBASSY TRIPOLI PRIORITY
USMISSION USUN NEW YORK PRIORITY
SECDEF
CINCUSNAVEUR
COMSIXTHFLT
EUCOM
USDOCOSOUTH NAPLES

C O N F I D E N T I A L STATE 095427

E.O. 11652: GDS

TAGS: PFOR, PLOS, PBOR, LY, IT, TS

SUBJECT: TUNISIAN-LIBYAN CONTINENTAL SHELF DISPUTE; DRILLING
BY U.S. FIRM

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REF: A. STATE 79051 B. TUNIS 2782

1. HEADQUARTERS OF U.S. FIRM READING AND BATES CONFIRMED
APRIL 27 THAT FIRM HAS SIGNED CONTRACT WITH LIBYAN NATIONAL
OIL COMPANY AND IS SENDING RIG TO RELIEVE ITALIAN SCARABEO
RIG OR RIGS IN DISPUTED ZONE ABOUT END OF MAY. PER REF A,
WE GAVE FULL ORAL BRIEFING AND STANDARD ADVICE TO REPRE-

SENTATIVE OF FIRM ON APRIL 5, AND WE WILL NOW SEND FORMAL LETTER TO PLACE USG VIEW ON RECORD. YOU SHOULD AWAIT FURTHER GUIDANCE BEFORE INFORMING TUNISIANS. DETAILS FOLLOW.

2. PURSUANT TO REF B, WE TELEPHONED READING AND BATES LOCAL AGENT ON APRIL 27 TO DETERMINE WHETHER COMPANY HAD IN FACT DECIDED TO PROCEED WITH LIBYAN OPERATION. AGENT SAID HE BELIEVED THAT FIRM HAD MADE DECISION TO GO AHEAD, AS A RESULT OF PERSUASION BY ITALIANS, WITH WHOM FIRM DID MUCH OF ITS BUSINESS. AGENT SAID FIRM WAS AWARE OF USG

POLICY, BUT DID NOT WANT TO GET A "BUTTES LETTER" (E.G., LETTER SIMILAR TO JUNE 9, 1976, LETTER FROM DEPASST SECY SOBER TO BUTTES RESOURCES PRESIDENT BASSINGER). FOR THIS REASON, HE ASKED THAT HE NOT BE CITED AS SOURCE OF INFORMATION IN REF A. WE TOLD AGENT THAT WE HAD HEARD SIMILAR REPORTS FROM SOURCES ABROAD, AND ASKED HIM TO ADVISE HEAD OFFICE THAT WE WERE CONCERNED ABOUT THESE REPORTS.

3. LATER IN MORNING, WE RECEIVED CALL FROM WAYNE HILLIN; COUNSEL TO READING AND BATES DRILLING CO. OF HOUSTON, TEXAS, (WHICH IS WHOLLY OWNED SUBSIDIARY OF PUBLICLY OWNED READING AND BATES OFFSHORE DRILLING CO. OF TULSA, OKLAHOMA). HILLIN VOLUNTEERED INFORMATION THAT FIRM HAD BEEN APPROACHED BY ITALIAN OIL FIRM, AGIP, ABOUT DRILLING AT COORDINATES 34 DEGREES 01 MINUTES NORTH, 12 DEGREES 31 MINUTES EAST. ALTHOUGH FIRM WAS AWARE AREA WAS DIS-CONFIDENTIAL

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PUTED, IT WAS RELUCTANT TO DECLINE, SINCE ITALIANS HAD BEEN MAJOR CUSTOMERS SINCE 1972. FIRM SUBMITTED ACCEPTABLE PROPOSAL, AND AGIP ARRANGED FOR CONTRACT TO BE SIGNED DIRECTLY BETWEEN READING AND BATES AND LIBYAN NATIONAL OIL COMPANY. DATE OF CONTRACT WAS NOT VOLUNTEERED.

4. IN RESPONSE TO QUESTIONS, HILLIN PROVIDED FOLLOWING ADDITIONAL INFORMATION. RIG IS J.W. BATES, UNDER PANAMANIAN REGISTRY, WITH ONE AMERICAN IN MARINE CREW AND FIVE IN DRILLING CREW. RIG IS PRESENTLY EN ROUTE TO MALTA, WHERE IT IS EXPECTED ABOUT MAY 23. AFTER LOADING EQUIPMENT, IT WILL PROCEED TO DRILLING SITE, WHERE IT WOULD NORMALLY REMAIN UNTIL EXPLORATORY WELLS AND, IN CASE OF STRIKE, SUBSEQUENT CONFIRMATION WELLS HAD BEEN DRILLED TO SATISFACTION OF CONTRACTOR. INSURANCE BY LLOYDS INCLUDES MARINE ALL-RISK AND WAR-RISK. COSTS OF INSURANCE ARE TO BE ABSORBED BY ITALIAN GROUP.

5. COMMENT: WE ARE NATURALLY CONCERNED ABOUT EFFECT ON

TUNISIANS WHEN THEY LEARN ABOUT PLANS OF THIS U.S.
FIRM, AFTER WE HAVE COUNSELED THEM AGAINST DRILLING IN
DISPUTED AREA. WE ARE EXAMINING POSSIBLE LEGAL REMEDIES
AND WILL PROVIDE GUIDANCE PROMPTLY.

VANCE

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PAGE 01 STATE 095427
ORIGIN NEA-10

INFO OCT-01 EUR-12 ISO-00 /023 R

66011

DRAFTED BY: NEA/AFN:MCKING

APPROVED BY: NEA/AFN:MCKING

-----010107Z 084859 /73

R 310050Z APR 77

FM SECSTATE WASHDC

INFO RUDTC/AMEMBASSY LONDON 6295

AMEMBASSY OSLO

AMEMBASSY VALLETTA

C O N F I D E N T I A L STATE 095427

FOLLOWING REPEAT STATE 095427 SENT ACTION TUNIS INFO PARIS,
ROME, TRIPOLI, USUN NEW YORK, SECDEF, CINCUSNAVEUR, COMSIXTHFLT,
EUCOM, USDOCOSOUTH 28 APR 77

QUOTE C O N F I D E N T I A L STATE 095427

E.O. 11652: GDS

TAGS: PFOR, PLOS, PBOR, LY, IT, TS

SUBJECT: TUNISIAN-LIBYAN CONTINENTAL SHELF DISPUTE; DRILLING
BY U.S. FIRM

REF: A. STATE 79051 B. TUNIS 2782

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VANCE

UNQUOTE CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONTINENTAL SHELF, OFFSHORE DRILLING, PETROLEUM, DISPUTES
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: TSWILKINSON:PG
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770148-0214
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977049/aaaaagyf.tel
Line Count: 240
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: ed5d79aa-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 79051
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2902271
Secure: OPEN
Status: NATIVE
Subject: TUNISIAN-LIBYAN CONTINENTAL SHELF DISPUTE; DRILLING BY U.S. FIRM CONFIDENTIAL
TAGS: PFOR, PLOS, PBOR, LY, IT, TS
To: TUNIS
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ed5d79aa-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009